GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:2861
ANSWERED ON:07.12.2000
US RESTRICTION ON TEXTILE EXPORT
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Will the Minister of TEXTILES be pleased to state:

(a) whether US restrictions impede textile growth;

(b) if so, the details thereof and the non-tariff barriers faced by the Indian Textile exporters; and

(c) the action proposed to be taken to boost the Indian export of textiles ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) & (b): Exports of textiles and clothing items to USA face quantitative restrictions under the aegis of erstwhile Multi Fibre Arrangement (MFA), which are now governed under the WTO Agreement on Textiles & Clothing (ATC) and, to that extent, the growth in textile exports to US is circumscribed. The Indian textile exports face other non-tariff barriers to US from time to time, e.g. the unilateral changes by USA in its Rules of Origin which has adversely affected exports of a few textile products to some extent.

(C) The Government have been taking several steps from time to time to boost Indian export of textiles.Some of the important initiatives are as under:-

1) The Technology Upgradation Fund Scheme (TUF) has been made operational from 1-4-1999 to facilitate the modernisation and Upgradation of this sector so that it can become more competitive in international trade.

2) The exporters have been provided facility to import capital goods under Export Promotion Capital Goods (EPCG) Scheme at 5% concessional rate of duty.

3) Garment exporters have been allowed zero duty import of certain categories of trimmings & embellishments.

4) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernising the existing ginning and pressing factories.

5) Allowing foreign equity participation upto 100%, through automatic route, in the textile sector with certain exceptions.

6) Government has resolved the issue of tariff bindings with major trading partners i.e. EU and US. Pursuant to that, EU has agreed to release 8000 tonnes of exceptional flexibilities each year during the remaining years till 2004, i.e. till the end of textile quota regime. US has agreed to restore GSP benefits on some handloom products.

7) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry in the field of design, merchandising and marketing.

8) The New Textile Policy has recently been announced to provide the policy direction for orderly and sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports.